

STATE RISK MANAGEMENT WORKERS COMPENSATION FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2008

| | October-08 | | | | September-08 | | | | Current | Prior Year | 3 Years | 5 Years |
|--|------------------|---------------|---------------|----------------|------------------|---------------|---------------|----------------|----------------|----------------|--------------|------------|
| | Market Value | Allocation | Month | Net ROR | Market Value | Allocation | Quarter | Net | FYTD | FY08 | Ended | Ended |
| | | Actual | Policy | | | Actual | Policy | Net ROR | | | 6/30/2008 | 6/30/2008 |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | |
| Los Angeles Capital | 68,481 | 3.8% | 4.2% | -16.95% | 94,269 | 4.0% | 4.2% | -12.89% | -27.65% | -7.79% | 7.68% | N/A |
| Total Structured Growth | 68,481 | 3.8% | 4.2% | -16.95% | 94,269 | 4.0% | 4.2% | -12.89% | -27.65% | -7.79% | 7.68% | N/A |
| Russell 1000 Growth | | | | -17.61% | | | | -12.33% | -27.76% | -5.96% | 5.91% | |
| <i>Structured Value</i> | | | | | | | | | | | | |
| LSV | 62,336 | 3.5% | 4.2% | -20.01% | 89,069 | 3.7% | 4.2% | -6.65% | -25.33% | -21.43% | 3.81% | N/A |
| Russell 1000 Value | | | | -17.31% | | | | -6.11% | -22.37% | -18.78% | 3.53% | |
| <i>Russell 1000 Enhanced Index</i> | | | | | | | | | | | | |
| LA Capital | 139,073 | 7.7% | 8.3% | -15.71% | 190,473 | 8.0% | 8.3% | -9.52% | -23.73% | -9.54% | 6.97% | N/A |
| Russell 1000 | | | | -17.46% | | | | -9.35% | -25.18% | -12.36% | 4.81% | |
| <i>S&P 500 Enhanced Index</i> | | | | | | | | | | | | |
| Westridge | 142,963 | 7.9% | 8.3% | -16.71% | 196,227 | 8.2% | 8.3% | -8.06% | -23.42% | -12.18% | 4.98% | N/A |
| S&P 500 | | | | -16.79% | | | | -8.37% | -23.76% | -13.12% | 4.41% | |
| <i>Index</i> | | | | | | | | | | | | |
| State Street | 44,322 | | | -17.05% | 61,553 | | | -11.64% | -26.70% | -18.24% | 2.93% | N/A |
| Total 130/30 | 44,322 | 2.5% | 2.8% | -17.05% | 61,553 | 2.6% | 2.8% | -11.64% | -26.70% | -18.24% | 2.93% | N/A |
| S&P 500 | | | | -16.79% | | | | -8.37% | -23.76% | -13.12% | 4.41% | |
| TOTAL LARGE CAP DOMESTIC EQUITY | 457,175 | 25.4% | 27.8% | -16.94% | 631,591 | 26.5% | 27.8% | -9.42% | -24.76% | -12.71% | 5.68% | N/A |
| S&P 500 | | | | -16.79% | | | | -8.37% | -23.76% | -13.12% | 4.41% | |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | |
| SEI | 67,914 | 3.8% | 4.6% | -22.99% | 101,265 | 4.2% | 4.6% | -6.64% | -28.10% | -20.93% | 2.06% | N/A |
| Russell 2000 + 200bp | | | | -20.64% | | | | -0.61% | -21.12% | -14.48% | 5.88% | |
| <i>Enhanced</i> | | | | | | | | | | | | |
| Research Affiliates | 74,948 | 4.2% | 4.6% | -21.05% | 109,352 | 4.6% | 4.6% | -2.34% | -22.89% | N/A | N/A | N/A |
| Clifton | 82 | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | N/A | N/A | N/A | N/A |
| Total Enhanced | 75,030 | 4.2% | 4.6% | -21.05% | 109,352 | 4.6% | 4.6% | -2.34% | -22.89% | N/A | N/A | N/A |
| Russell 2000 | | | | -20.80% | | | | -1.11% | -21.68% | -16.19% | | |
| TOTAL SMALL CAP DOMESTIC EQUITY | 142,944 | 7.9% | 9.3% | -21.98% | 210,617 | 13.4% | 9.3% | -4.46% | -25.46% | -21.14% | 1.97% | N/A |
| Russell 2000 | | | | -20.80% | | | | -1.11% | -21.68% | -16.19% | 3.79% | |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | |
| Western Asset | 337,160 | 18.7% | 18.6% | -6.68% | 439,091 | 18.4% | 18.6% | -5.05% | -11.39% | 2.06% | 2.76% | N/A |
| Lehman Aggregate | | | | -2.36% | | | | -0.49% | -2.84% | 7.12% | 4.09% | |
| <i>Mortgage Backed</i> | | | | | | | | | | | | |
| Hyperion | 65,235 | 3.6% | 4.8% | -7.36% | 84,504 | 3.5% | 4.8% | -21.09% | -26.90% | -20.24% | N/A | N/A |
| Lehman Global Aggregate (US Securitized Portion) | | | | -3.66% | | | | -1.46% | -5.07% | 10.14% | | |
| <i>Core Plus/Enhanced</i> | | | | | | | | | | | | |
| Clifton Group | 109,068 | 6.1% | 4.8% | -0.25% | 133,742 | 5.6% | 4.8% | 0.43% | 0.18% | 10.17% | N/A | N/A |
| Prudential | 102,581 | 5.7% | 4.8% | -5.21% | 130,318 | 5.5% | 4.8% | -1.35% | -6.49% | 4.89% | N/A | N/A |
| Total Core Plus/Enhanced | 211,648 | 11.8% | 9.6% | -2.70% | 264,060 | 11.1% | 9.6% | -0.46% | -3.15% | 7.55% | N/A | N/A |
| Lehman Aggregate | | | | -2.36% | | | | -0.49% | -2.84% | 7.12% | | |
| <i>Index</i> | | | | | | | | | | | | |
| Bank of ND | 185,082 | 10.3% | 8.4% | -2.32% | 230,242 | 9.6% | 8.4% | -1.24% | -3.53% | 7.68% | 3.93% | N/A |
| Lehman Gov/Credit (1) | | | | -2.51% | | | | -1.64% | -4.10% | 7.24% | 3.84% | |
| <i>BBB Average Quality</i> | | | | | | | | | | | | |
| Wells Capital (formerly Strong) | 340,471 | 18.9% | 18.6% | -7.91% | 450,184 | 18.9% | 18.6% | -3.67% | -11.29% | 3.55% | 3.04% | N/A |
| Lehman US Credit BAA | | | | -10.95% | | | | -4.85% | -15.26% | 2.62% | 2.52% | |
| TOTAL DOMESTIC FIXED INCOME | 1,139,595 | 63.3% | 60.0% | -5.69% | 1,468,082 | 61.5% | 60.0% | -4.37% | -9.82% | 2.32% | 3.89% | N/A |
| Lehman Aggregate (2) | | | | -2.36% | | | | -0.49% | -2.84% | 7.12% | 4.09% | |
| CASH EQUIVALENTS | | | | | | | | | | | | |
| Bank of ND | 60,118 | 3.3% | 3.0% | 0.13% | 76,180 | 3.2% | 3.0% | 0.48% | 0.61% | 3.43% | 4.10% | N/A |
| 90 Day T-Bill | | | | 0.11% | | | | 0.63% | 0.74% | 3.63% | 4.27% | |
| TOTAL RISK MANAGEMENT FUND | 1,799,833 | 100.0% | 100.0% | -10.93% | 2,386,469 | 104.6% | 100.0% | -5.70% | -16.01% | -3.99% | 3.60% | N/A |
| POLICY TARGET BENCHMARK | | | | -8.00% | | | | -2.69% | -10.47% | -0.98% | 4.34% | |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.